

**DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT
DIVISION OF HOUSING POLICY DEVELOPMENT**

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June 17, 2008

Ms. Liz Shorey, Deputy Director
Community Development Department
City of Fortuna
621 11th Street
Fortuna, CA 95540

Dear Ms. Shorey:

RE: Review of Fortuna's Revised Draft Housing Element

Thank you for submitting Fortuna's revised draft housing element, received for review on April 18, 2008. The Department is required to review draft housing elements and report the findings to the locality pursuant to Government Code Section 65585(b). The review was facilitated by meetings, technical assistance, consultations and various communications with you since 2004.

The Department recognizes Fortuna's efforts to address its housing needs, including the recent construction or approval of more than a 100 units affordable to lower-income households. The revised draft element addresses most of the statutory requirements described in the Department's February 26, 2004 review (enclosed). However, further revision is necessary. The following describes the changes needed to comply with State housing element law (Article 10.6 of the Government Code).

1. *Include an inventory of land suitable for residential development, including vacant sites and sites having the potential for redevelopment, and an analysis of the relationship of zoning and public facilities and services to these sites (Section 65583(a)(3)). The inventory of land suitable for residential development shall be used to identify sites that can be developed for housing within the planning period (Section 65583.2).*

Sites Inventory: In accordance with recently enacted legislation (Chapter 724, Statutes of 2004 [enclosed]), the element must include a sites inventory listing properties by unique reference, zoning and general plan designation, size and existing uses. The element must also describe the methodology for calculating the capacity of sites in the inventory. This description must account for land-use controls and site improvements and could utilize recently built densities in each of the zones. Please see the Department's technical assistance memo at <http://www.hcd.ca.gov/hpd/hrc/plan/he/ab2348stat04ch724.pdf> and sample inventory and analysis from the Department *Building Blocks for Effective Housing Elements (Building Blocks)* at http://www.hcd.ca.gov/hpd/housing_element/examples/sitesinventoriesample1.pdf.

Zoning for a Variety of Housing Types (Housing for Agricultural Employees): The element notes housing for farmworkers would be provided within certain areas if requested (page 30), however, the element must identify and analyze zoning and development standards that encourage and facilitate a variety of housing types for agricultural employees. The element should also describe whether the City's zoning code explicitly complies with the provisions of Health and Safety with 17021.5 and 17021.6. For your assistance, please see the sample analysis from the *Building Blocks*' website at http://www.hcd.ca.gov/hpd/housing_element/examples/screen20sample1.pdf.

2. *Analyze potential and actual governmental constraints upon the maintenance, improvement, and development of housing for all income levels and persons with disabilities (Section 65583(a)(4)).*

Potential Constraints on Housing for Persons with Disabilities: While the element now includes analysis of various potential constraints on housing for persons with disabilities, the element must identify whether a written reasonable accommodation policy or procedure exists to provide exception in zoning and land-use for housing for persons with disabilities. The element must also fully describe these procedures, including decision-making standards, and analyze them for their potential impact on the development of housing for persons with disabilities. If Fortuna does not have a written procedure, the element must include a program to adopt a procedure. For your assistance, please see sample program language and a model reasonable accommodation procedure at http://www.hcd.ca.gov/hpd/housing_element/screen35_constraintsprograms.pdf.

3. *Identify actions that will be taken to make sites available with appropriate zoning and development standards and with services and facilities to accommodate that portion of the City's share of the regional housing need for each income level that could not be accommodated on sites identified in the inventory completed pursuant to paragraph (3) of subdivision (a) without rezoning (Section 65583(c)(1)).*

As noted in finding number 1. above, the element does not include a complete sites inventory or analysis; as a result, the adequacy of sites and zoning has not been established. Based on the results of a complete sites inventory and analysis, Fortuna may need to add or strengthen programs to address a shortfall of sites and zoning for a variety of housing types.

Recent amendments to housing element law (Chapter 633, Statutes of 2007 [SB 2]), among other things, require:

- Identification of at least one zone permitting emergency shelters without a conditional use permit (CUP) or other discretionary action.
- Transitional and supportive housing as a residential use and only subject to those restrictions that apply to other residential uses of the same type in the same zone.

Since a CUP is required for emergency shelters and transitional housing, the element must include programs to amend zoning consistent with the provisions of SB 2, including identifying at least one zone permitting emergency shelters without a CUP or other discretionary action and ensuring zoning will be amended to permit transitional and supportive housing as a residential use and only subject to those restrictions that apply to other residential uses of the same type in the same zone. For your assistance, please see the Department's memo on SB 2 at http://www.hcd.ca.gov/hpd/sb2_memo050708.pdf.

4. *Address and, where appropriate and legally possible, remove governmental constraints to the maintenance, improvement, and development of housing, including housing for all income levels and housing for persons with disabilities. The program shall remove constraints to, and provide reasonable accommodations for housing designed for, intended for occupancy by, or with supportive services for, persons with disabilities (Section 65583(c)(3)).*

As noted in finding number 1. above, the element requires a more detailed analysis of potential governmental constraints. Depending on the results of that analysis, the City may need to add programs to address and remove or mitigate identified constraints.

In addition, the element now notes Fortuna requires a CUP for multifamily uses in multifamily zones. The element indicates the City has never denied a multifamily development based on the number of units. However, complex discretionary findings and the lack of clear and objective standards for multifamily development can add significant time and uncertainty to the approval process and consequently can impact the cost and supply of housing, particularly housing affordable to lower-income households. For these reasons, while the element includes a program to monitor the impacts of the CUP, it should include a program to address and mitigate the conditional use permit processes as a constraint on multifamily development. For example, the element could include a program to establish a site plan review that allows the City to consider various factors such as traffic, parking and noise, but also establishes clear standards for decision-making and approval.

Once the element has been revised to adequately address these requirements, the element will be in compliance with State housing element law.

The Department appreciates the City's cooperation and is committed to assist Fortuna in addressing the statutory requirements of housing element law. If you have questions or would like further assistance, please contact Paul McDougall, of our staff, at (916) 322-7995.

Sincerely,



Cathy E. Creswell
Deputy Director